

RB:CP/LXN
F.#2009R01981

M11-1183

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

C O M P L A I N T

-against-

(T. 18, U.S.C., §§
666(a)(1)(B), 1951(a))

RYAN N. HERMON,

Defendant.

- - - - -X

EASTERN DISTRICT OF NEW YORK, SS:

RICHARD WILFLING, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), duly appointed according to law and acting as such.

In or about and between February 2011 and May 2011, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant RYAN N. HERMON, an agent of the New York State government, did corruptly solicit, demand, accept and agree to accept from a person things of value, to wit: payments of cash, intending to be influenced and rewarded in connection with business, transactions and a series of transactions of such government, involving things of value of \$5,000 and more, while New York State was in receipt of, within a one-year period, benefits in excess of \$10,000 under Federal

programs involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of Federal assistance.

(Title 18, United States Code, Section 666(a)(1)(B))

In or about and between August 2010 and August 2011, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant RYAN N. HERMON, together with others, did knowingly and intentionally conspire to obstruct, delay and affect commerce, and the movement of articles and commodities in commerce, by extortion, in that HERMON and others agreed to obtain property, to wit: payments of money from an individual, with the individual's consent, which consent was induced under color of official right, to wit: the official action and influence of a member of the New York State Assembly as specific opportunities arose.

(Title 18, United States Code, Section 1951(a)).

The source of your deponent's information and the grounds for his belief are as follows:^{1/}

¹ Because the purpose of this affidavit is merely to set forth probable cause to arrest, I have not described all of the relevant facts and circumstances of which I am aware. In addition, where I rely on statements made by others, such statements are set forth in part and in substance unless otherwise indicated.

I. Background and Qualifications

1. I have been a Special Agent with the FBI for approximately nine years. I am currently assigned to a Public Corruption squad which investigates violations of federal criminal laws, including bribery and various forms of white collar crime. In this position, I have conducted physical surveillance, interviewed witnesses, reviewed documents obtained through the service of subpoenas, and used other investigative techniques to secure relevant information for use in criminal prosecutions.

2. From August 2010 to the present, the FBI has conducted an investigation into New York State Assemblyman William Boyland,^{2/} the defendant RYAN N. HERMON and others (the "Investigation"). I am familiar with the facts and circumstances of the Investigation from my personal participation in it and from reviewing the reports of and speaking with other FBI Special Agents.

II. Relevant Participants

3. From in or about and between March 2003 and November 2011, Assemblyman Boyland served as a member of the New York State Assembly.

² Attached hereto at Exhibit A and incorporated by reference is a complaint unsealed November 29, 2011 detailing Assemblyman Boyland's criminal participation in the conduct set forth herein.

4. From in or about and between 2008 and November 2011, the defendant RYAN N. HERMON has been employed as Assemblyman Boyland's Chief of Staff.

5. A cooperating witness (the "CW"), who worked as a carnival promoter, participated in the Investigation by purporting to scout locations and set up carnivals in Brooklyn.

6. An undercover FBI Special Agent ("UC1") participated in the Investigation by posing as a family friend of the CW, who was aiding CW in his carnival business. UC1 also purported to be a businessman from Philadelphia, Pennsylvania engaged in the import-export business as well as an investor interested in real estate investment and other opportunities in Brooklyn.

7. Another undercover FBI Special Agent ("UC2") participated in the Investigation by posing as a business associate of UC1 and a real estate investor interested in opportunities in Brooklyn. UC2's business was purported to be based in Florida and UC2 purported to have business interests in multiple states.

III. Overview

8. From in or about and between August 2010 and August 2011, the defendant RYAN N. HERMON, Assemblyman Boyland and others conspired to solicit bribes totaling more than \$250,000, including thousands of dollars in cash, in exchange for

taking official actions on behalf of CW, UC1 and UC2 as opportunities arose.

9. In addition, starting in or about and between February 2011 to May 2011, the defendant RYAN N. HERMON solicited bribes totaling approximately \$2000 in exchange for taking official actions on behalf of CW and UC1 as opportunities arose.

IV. Carnival Business Bribery Scheme

10. Traveling carnival businesses that wish to operate carnivals in New York City must obtain permissions and/or permits from various local government agencies. For example, to hold a carnival in New York City, the Department of Consumer Affairs ("DCA") must issue a "Temporary Use Device License" in order for a carnival to operate rides. Depending on when the application is filed, DCA requires letters of support from the local community board and elected officials who represent the district within which the carnival is to be held.

11. In addition, the New York City Department of Buildings must also inspect and approve a carnival before it can begin operating. Furthermore, carnival operators in New York City frequently seek to have community-based non-profit organizations sponsor their shows.

12. Starting in August 2010, Assemblyman Boyland engaged in discussions with CW and UC1 about their interest in

holding carnivals in Assemblyman Boyland's district.^{3/}

Assemblyman Boyland said that he would be willing to assist CW and UC1, and indicated that he wanted to be paid for doing so. To that end, the three men discussed different ways in which Assemblyman Boyland could be paid, including receiving money disguised as a donation to one of Assemblyman Boyland's non-profit organizations and through payments disguised as consultancy fees.

13. As a result of these discussions, Assemblyman Boyland directed his staff to assist CW and UC1 with the carnivals. Assemblyman Boyland also (i) told CW and UC1 that he and his staff had engaged in discussion with governmental agencies to assist CW in obtaining leases and permits; (ii) arranged for a non-profit organization to sponsor CW's carnivals, and (iii) represented to CW and UC1 that he would make sure that they would receive the letters of support they needed. In return, UC1 paid several thousand dollars in checks and money orders to Assemblyman Boyland's campaign fund.

14. On or about February 23, 2011, HERMON left a voicemail message for UC1 informing UC1 that Assemblyman Boyland had added HERMON to the "team" dealing with UC1 and CW's

³ CW, UC1 or UC2 recorded all meetings and telephone calls and preserved all text messages involving Assemblyman Boyland, HERMON and other members of Assemblyman Boyland's staff discussed herein.

carnivals.^{4/} HERMON asked for a return call in order to discuss what was needed from Assemblyman Boyland's office.

15. On or about February 24, 2011, HERMON spoke on the telephone with UC1 and told him that Assemblyman Boyland had identified multiple locations within his district where CW and UC1 could operate carnivals. UC1 told HERMON that CW would come to Assemblyman Boyland's office to provide her with additional details on what they needed from Assemblyman Boyland. HERMON and UC1 also agreed to meet sometime in the following week to look at the proposed locations.

16. Later that day, CW met with HERMON and another staffer ("Staffer #1") at Assemblyman Boyland's district office. At that meeting, CW advised HERMON and Staffer #1 that CW sought (1) letters of support from Assemblyman Boyland, (2) permission from property owners, including the City of New York, to use their property for the carnivals; and (3) permits from certain governmental agencies.

17. In response, HERMON asked whether she was going to be paid by CW for her work. An excerpt of the conversation follows:

CW: On the serious side, I kid around a lot but I am the best around that does this [carnival promoting].

⁴ All of the excerpts of the consensually-recorded conversations contained herein are in draft form.

HERMON: Oh yeah, I know. I went to . . . we are not making any money. Are we getting some money for this?

CW: Oh, absolutely.

HERMON: Are we getting money or are you giving it to my boss?

Staffer #1: We get a percentage, a percentage of--

CW: No, no, no, what I--

HERMON: If you give it to our boss we are not getting it so--

CW: Ok, listen, the organization gets it--

HERMON: We are not getting it then.

CW: Ah listen, I will be looking out for every--listen to me carefully. When I sit down to eat, if there is steak, everybody eats steak--

HERMON: Good.

CW: --if there's potatoes, we eat potatoes but I always make sure there is--

HERMON: --that everybody eats?

CW: I am making sure--

HERMON: Good.

CW: --there's somebody at the table to eat.

HERMON: 'Cause my check can go to my business needs.

CW: Ok.

18. On or about February 27, 2011, HERMON and UC1 had lunch at a restaurant in Manhattan. At lunch, UC1 referred to

HERMON's conversation with the CW on February 24, 2011. An excerpt of the conversation follows:

UC1: Did [CW] give you the "when I eat steak, everybody eats steak" speech?

HERMON: Yes [CW] did.

UC1: --and when I eat potatoes--

HERMON: Everybody eats potatoes. . . .

* * *

HERMON: So I'm like you are trying to give me a bonus check or whatever check, great, I will welcome it but if you are doing it through [Assemblyman Boyland], I would--

UC1: You are not gonna see it.

HERMON: I won't see it.

19. During this meeting, UC1 stated that he and CW were interested in getting letters of support from Assemblyman Boyland on behalf of CW's carnivals. UC1 also suggested that a call from HERMON to government officials on CW's behalf would carry "more weight" than calls from other staffers in Assemblyman Boyland's office. HERMON agreed, stating, "Absolutely, it does."

20. HERMON agreed to work on the letters of support, but reiterated that she was interested in being paid. An excerpt of the conversation follows:

UC1: . . . I get up there to the point where sometimes I start yelling at [CW] and I'm like, "[CW], you are so singularly focused on your old methodology that it is just not going to work."

HERMON: No, it's not, no it's not, even the quality of some of the letters. Yeah?

UC1: Yeah, yeah.

HERMON: Listen, we're good, you're good. Alright?

UC1: Good.

HERMON: I will clean it up and I will work on it. I wouldn't mind, you know, eating some steak or potatoes. (Laughs) Regardless of the fact I do or don't, it's what I'm going to do--

UC1: Now, you'll, you'll--

HERMON: --it's my job

UC1: --you know, order up a steak.

21. UC1 then offered to pay HERMON a "down payment," which HERMON enthusiastically accepted. An excerpt of the conversation follows:

UC1: So, we're fine with the steak and potatoes. That's no problem.

HERMON: Thank you.

UC1: I can even make a down payment today if you like, or check or cash or whatever you like.

HERMON: I would love that.

UC1: Okay, good.

HERMON: Are you serious?

UC1: Yeah, oh yeah. I come prepared for all--

HERMON: Oh my God!

UC1: I come prepared for all contingencies.

HERMON: You just, like, made me hot.

UC1: If you could set, you could set up a meeting with, you know, the people we had mentioned.

22. At the end of the lunch, UC1 paid HERMON \$1000 in cash. Later that day, HERMON sent UC1 a text message to thank UC1 for "your generosity and commitment to these events and my staff."

23. On or about March 8, 2011, CW went to Assemblyman Boyland's district office and met with HERMON who prepared five signed letters written on Assemblyman Boyland's official letterhead which expressed Assemblyman Boyland's support for CW and the carnivals that CW purported to be promoting. HERMON gave the letters to CW. Two of the letters were addressed to the Commissioner of the Department of Consumer Affairs. One of the letters was addressed to a carnival business located in the State of New Jersey. After CW collected the letters, UC1 sent Assemblyman Boyland a text message to thank him for them.

24. On or about March 22 and March 25, 2011, UC1 and HERMON had telephone and in-person conversations in which they discussed, among other things, whether HERMON could show CW and UC1 some of the locations for carnivals in Assemblyman Boyland's district that HERMON had previously mentioned. HERMON agreed to do so, and they arranged to meet on March 31, 2011.

25. On or about March 31, 2011, before meeting CW, HERMON and UC1 had a conversation in UC1's car in which they

discussed how the carnival process was going. An excerpt of the conversation follows:

HERMON: Look how long this carnival--

UC1: Yeah.

HERMON: Now, if--you see the difference. Ever since I've involved myself--

UC1: Em hm.

HERMON: Everything's going (sound of fingers snapping in the background).

UC1: Faster. Yeah.

Based on my training, experience and my understanding of the investigation, I believe that during this exchange, HERMON was pointing out how much better the carnival process had become since she became involved.

26. UC1 then paid HERMON \$1000 in cash. An excerpt of the conversation follows:

UC1: . . . here you go, here's another thousand.

HERMON: Thank you so much.

UC1: You're welcome.

HERMON: I can actually pay off my birthday debts.

UC1: There you go. Now that you've accumulated them.

HERMON: (Laughing) I know.

UC1: Ahm, and I figured because now it's gonna be fast and furious, especially if there's more spots. You see kinda how annoying it probably got for you just for one spot so--

HERMON: Yeah. Well, it actually, it really wasn't. It's just the proper follow through and it's, it's the relationships.

27. HERMON also told UC1 that she was sharing the money she received from UC1 with other staffers in Assemblyman Boyland's office. An excerpt of the conversation follows:

HERMON: You know to be honest with you. I appreciate your . . . generosity. I'm actually sharing with the staff in (laughing) the office . . .

UC1: Ehm hm.

HERMON: --the staff, when I come in and say well [UC1] needs this, dah dah dah did dah. They're jumping 'cause they know, like I'm, they're gonna get something or they got something.

UC1: Oh good. Ok. Good, good.

HERMON: And that's not saying that should always be the incentive but, be honest with you, they're just like, everyone just wanna make sure these deals get closed and, and they do happen and work in your favor.

Based on my training, experience and my understanding of the investigation, I believe that during this exchange, HERMON was telling UC1 that he was getting better service from Assemblyman Boyland's staffers because of the payments.

V. Hobbs Act Extortion Conspiracy

28. On or about March 10, 2011, Assemblyman Boyland was charged with bribery in the Southern District of New York.

29. On or about March 11, 2011, UC1 and UC2 met Assemblyman Boyland at a restaurant in Manhattan. Assemblyman

Boyland proposed various real estate development projects in his district that he thought might interest UC1 and UC2, and highlighted one in particular. He informed UC1 and UC2 that "state money" was available to finance that project.

30. Starting on or about March 18, 2011, Assemblyman Boyland placed telephone calls and sent text messages to UC1 requesting a meeting.

31. On or about March 22, 2011, HERMON spoke with UC1 on the telephone and told him that she was calling him on behalf of Assemblyman Boyland. An excerpt of that exchange follows:

HERMON: . . . [I]t's probably best that [Assemblyman Boyland] does call you but I'll do it because it's my job . . . he wants me to reach out to you to see if you can actually help him financially with, you know, retaining an attorney, he needs some cash and he's cash strapped.

UC1: Okay. Is that what he was going to call me about?

HERMON: That's exactly what he's calling about.

UC1: Yeah, that's no problem. I don't mind talking to you or talking to him about it. It shouldn't be a problem.

HERMON: Ok, good. Ok, I'm glad you don't mind.

* * *

HERMON: . . . I don't know if he gave you, I guess when he gets a chance, he'll probably tell you the figure he's looking for--

UC1: No.

HERMON: No? 'Cause he told me 7,000.

UC1: 7,000?

HERMON: Yeah.

UC1: Oh, ok, no, he didn't tell me. We just spoke briefly. He just said he wanted to get together and I was in a hurry and he was in a hurry so we didn't talk about any details. But it's 7,000 to retain a lawyer?

HERMON: That's just the retainer fee.

UC1: Yeah I know. Lawyers are crazy like that, you know how it works.

HERMON: Oh yeah, I definitely do. Ok good, 'cause I didn't know how comfortable you felt with me asking you for something that he wants personally 'cause this is not job related.

32. On or about March 23, 2011, Assemblyman Boyland told UC1 in a telephone call that he needed money to "solidify some attorneys" and confirmed that UC1 had already talked to HERMON about Assemblyman Boyland's request. Assemblyman Boyland said that he was willing to travel to Philadelphia to pick up the money from UC1 and that he wanted the money in cash. Ultimately, UC1 agreed to travel from Philadelphia to Brooklyn to meet with Assemblyman Boyland.

33. On or about March 25, 2011, UC1 met with Assemblyman Boyland at his district office. UC1 and Assemblyman Boyland discussed real estate projects that Assemblyman Boyland represented would be of interest to UC1 and UC2. Assemblyman Boyland assured UC1 that state grant monies were available for

those projects and that they could be assured of his support because the projects are "right here at home."

34. At the end of the meeting, UC1 gave Assemblyman Boyland \$7,000 in cash and stated, "Knowing that if you think you want to bring someone else onboard or knowing that you'll be there politically for us is all that we're looking for."⁵ In response, Assemblyman Boyland made a "thumbs up" sign and affirmed that "the political thing will be fine in terms of just where we need to go because I'm thinking environmental and I'm thinking the two houses of the state and city. You know, the relationships are there."

35. On or about April 29, 2011, in a hotel suite in Atlantic City, New Jersey, Assemblyman Boyland solicited \$250,000 from UC1 and UC2 in exchange for Assemblyman Boyland's official action and influence as specific opportunities arose in connection with the purchase and development of a former hospital in Assemblyman Boyland's district ("Hospital A"). Specifically, Assemblyman Boyland proposed a scheme which called for UC1 and UC2 to purchase for \$8 million Hospital A and resell the property

⁵ Based on my training and experience, as well as my debriefing of UC1 and my understanding of the investigation, I believe that UC1 was making clear to Assemblyman Boyland that UC1 and UC2 were giving him the \$7,000 in exchange for Assemblyman Boyland's political influence on their behalf in the future as opportunities arose, including introducing them to other public officials who could help UC1 and UC2 in their business ventures.

to one of Assemblyman Boyland's non-profit organizations ("Non-Profit A") for \$15 million. In exchange for the \$250,000, Assemblyman Boyland promised that he would, among other things, take official action and use his influence to secure state money to allow UC1 and UC2 to renovate Hospital A before they sold it to Non-Profit A.

36. During the meeting, Assemblyman Boyland demonstrated his awareness that what he was proposing to UC1 and UC2 was illegal by stating that he needed to conceal his involvement through the use of a "middle guy" or a "bag man." Assemblyman Boyland also told UC1 and UC2 that he wanted to hide their true role in connection with the Hospital A project.

37. On or about May 9, 2011, UC1 met HERMON for dinner at a restaurant in Manhattan. The two discussed the hospital deal that Assemblyman Boyland had proposed to UC1 and UC2 on April 29, 2011. UC1 then told HERMON that Assemblyman Boyland had asked him for \$250,000. HERMON responded that Assemblyman Boyland told her that UC1 and UC2 had agreed to pay him the money. UC1 indicated to HERMON that they did not agree to pay Assemblyman Boyland although "it's not an issue if, if uh we start to move in our direction"

38. HERMON advised UC1 that the hospital deal was "doable" and claimed that she had been "on the phone with a state representative hearing about their enthusiasm about the project."

She also stated that Assemblyman Boyland "definitely has state support."

39. HERMON and UC1 continued their discussions about the Hospital A project. In a recorded telephone call on May 24, 2011, HERMON told UC1 that "just like the carnival, I'm just being put onto this [Hospital A project]," and informed UC1 that she had set up a meeting for Assemblyman Boyland with a state agency and that she herself had attended meetings about the project.

40. HERMON then described Assemblyman Boyland's role in the Hospital A project. An excerpt of that conversation follows:

HERMON: To be honest with you, it's in [Assemblyman Boyland's] district, listen, and I understand how he's speaking 'cause he is a politician, he's absolutely right. It's, he has the power 'cause of the fact that it's state, that's one, and he's a state Assemblyman. Also, he has power because he, it's in his district. And he has the relationships on the state level, but he, we don't have the money yet. We have to figure out how [Hospital A] is going to be acquired.

UC1: Uh-huh.

HERMON: Once [Hospital A is] acquired, then we have, then we have control. Until it's acquired, what control do we really have? I mean, influence, yes, we have influence, but whoever holds the money--

UC1: Yeah, that's, if it looks like something that--if the [state agency] is you know, that's the kind of numbers we need to see, like, we're not talking about just buying a

property now. If we bought the property uh for the note which you said is about 11 million, if we bought it for the note and then we have some kind of guarantee that [Assemblyman Boyland] was going to get bond, bonds for 15 million two years from now, well that's a nice, that's a nice profit.

HERMON: Alright, that's, that's what you're looking for. . . .

41. On or about May 27, 2011, Assemblyman Boyland, HERMON and an individual whom Assemblyman Boyland described as a "developer" met with UC2 and took him on a site tour of Hospital A.

42. On or about June 7, 2011, UC1 and CW looked at a potential carnival location with HERMON and others. HERMON privately told UC1 that Assemblyman Boyland did not want her to continue her efforts to set up meetings between UC1 and other elected officials and that Assemblyman Boyland wanted "them" to stay in the background.

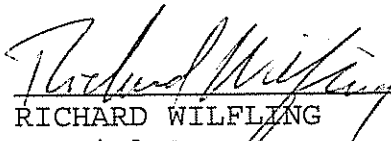
43. Later that same day, on or about June 7, 2011, Assemblyman Boyland met with UC1 and UC2 in a hotel room in Manhattan to discuss the Hospital A project. Assemblyman Boyland reiterated that he wanted UC1 and UC2 to pay him \$250,000. UC2 instead offered to pay Assemblyman Boyland \$5,000 for introductions to other people who would be involved in the project, but Assemblyman Boyland rejected the suggestion, stating that the people whom he could introduce to UC1 and UC2 were worth more than \$5,000: "I'm not talking about \$5,000 folks. I'm

talking about . . . people that can actually get these projects done" Assemblyman Boyland also stated that had been effective in getting projects like this done in the past.

44. Shortly after the meeting, Assemblyman Boyland sent UC1 a text message stating that he would call UC1 in the morning, but did not call. On or about June 28, 2011, HERMON told UC1 on a telephone call that Assemblyman Boyland had been questioned about "his role with the hospital" by law enforcement authorities, and explained that this was the reason why Assemblyman Boyland himself had not contacted UC1.


VI. Conclusion

WHEREFORE, your deponent respectfully requests that the defendant RYAN N. HERMON be dealt with according to law.



RICHARD WILFLING
Special Agent
Federal Bureau of Investigation

Sworn to before me this
1st day of December, 2011



Honorable Robert M. Levy
United States Magistrate Judge
Eastern District of New York